made to avoid prior art and no such holding was made by the district court. (App. 41a).

This exemplifies but one of the many instances in this case in which the Federal Circuit has decided facts in the first instance based upon a limited record not developed with respect to the new issues raised by this Court's earlier decision. As poignantly noted by Judge Newman, these questions of first impression are best determined by a trier of fact at the district court. *See Icicle Seafoods, Inc. v. Worthington*, 475 U.S. 709 714 (1986) (for "findings of fact essential to a proper resolution of the legal question [the Court of Appeals] should have remanded to the District Court to make those findings"); *Pullman-Standard v. Swint*, 456 U.S. 273, 291-92 (1982) ("Factfinding] is the basic responsibility of district courts, rather than appellate courts, and... the Court of Appeals should not have resolved in the first instance this factual dispute which has not been considered by the District Court.") (quoting *De Marco v. United States*, 415 U.S. 449, 450 (1974)). (All alterations in original.) (App. 40a).

B. The Record Does Not Support A Finding That Festo Knew Of The Accused Equivalents At The Time Of The Amendment

In *Festo*, this Court remanded the case for application of the new principles of presumption of surrender and guidelines on rebuttal of that presumption. Specifically, the case was remanded for determination of "what territory the amendments surrendered" and "whether Festo can demonstrate that the narrowing amendments did not surrender the particular equivalents at issue." (App. 59a-60a). Following remand, SMC filed a Motion for Judgment

in its Favor and that the Matter be Heard *En Banc*. Festo filed a Cross-Motion for Remand to the District Court for Further Findings of Fact Consistent with the Supreme Court Remand. After briefing, the Federal Circuit issued an order seeking the parties to brief certain enumerated issues. (App. 5a-6a).

During briefing, Festo argued that it was prepared to offer evidence in the form of documents and testimony relating to each of the rebuttal criteria set forth in this Court's decision. First, Festo argued that it intended to present evidence regarding the state-of-the-art at the time of the invention as well as fact and expert witnesses to establish that the amended elements at issue were tangential to the patentability of the claim and the equivalents in question.

With respect to the issue of foreseeability, Festo argued that documentary evidence and witness testimony would "establish that SMC's proven insubstantial modification of Festo's four ring combination for wiping, guiding and sealing the piston (a guide ring and one-way sealing ring at each end of the piston) to an inferior, but equivalent, three ring combination (two guide rings and one, two-way sealing ring) was not foreseeable at the time of the application." (Festo's Brief Pursuant to the Federal Circuit Order dated September 20, 2002, p. 16).

Festo also noted that it could develop evidence related to the some other reason criterion noting that the evidence would establish that Festo could not reasonably be expected to have drafted a claim to cover an inferior design which is later proven to be a trivial change and therefore an infringement under the doctrine of equivalents. *Id.* at 20.

Rather than permit Festo an opportunity to develop and present such evidence, the Federal Circuit found sua

sponte that Festo could not satisfy the "tangential" criterion or "some other reason" criterion with respect to either the sleeve material or sealing rings. (App. 17a, 19a-20a). Based upon Festo's statements that it intended to provide the evidence to support rebuttal of the presumption, the Federal Circuit hypothesized, without any record developed on the new issues presented and with 20/20 hindsight some twenty years later that "Stoll could have described an aluminum sleeve but chose not to do so because that "inferior" element was not part of his invention." (App.17a). The Federal Circuit also improperly concluded that the "some other reason" criterion regarding the sealing rings could not be established "if the patentees knew of an inferior design and chose not to include it within the claims, then it cannot be said that they could not have been expected to have described that design." (App. 20a).

The Federal Circuit was clearly wrong in both instances. First, there is absolutely no evidence in the record as to the knowledge of Stoll at the time of the invention regarding the use of an aluminum sleeve or a single two-way sealing ring. Neither structure was disclosed or contemplated in the Stoll patent specification or the prior art. Additionally, the reason for the amendments to the Stoll claims was to overcome a rejection by the Patent Office directed at clarity of the invention under 35 U.S.C. § 112. Judge Newman correctly concludes based upon the public record that "the amendments to the Carroll and Stoll patents were not made to avoid the SMC equivalents or to distinguish prior art that disclosed these equivalents." (App. 40a).

SMC contorts this incorrect holding of the majority even further and misleads the Court by stating that arguments regarding the accused equivalents were made at the Patent Office. "Festo's position underwent a 180° change and Festo

asserted that these features rather than being inferior and unacceptable as Festo asserted before the Patent Office, were, instead, 'equivalent' to Festo's magnetizable sleeve and two sealing rings." (Opp. at 2). SMC knows full well that no such arguments were ever presented by Festo to the Patent Office. The Patent Office made no rejections in view of the prior art and Festo did not make any arguments related to SMC's infringing design. Festo's amendments clearly did not surrender a sleeve made of aluminum nor did the amendment surrender use of a single sealing ring. On this point the record is clear. If SMC's argument were true, prosecution history estoppel would have been an issue at trial. It was not. (App. 41a).

SMC is also wrong to say that "it is not the law of the case that these differences (between the claims and accused device) are not substantial. Pet. App. 91a." (Opp. at 2). Nothing in the record has disturbed the established facts found by the jury that SMC's accused equivalents are trivial, insubstantial changes that fall within the scope of the claims should Festo prevail in rebutting the presumption. SMC's citation to the appendix at 91a is improper since nothing therein supports SMC's assertion.

By creating the presumption, this court shifted the burden of proof from the defendant to establish estoppel to the patentee to rebut the presumption. At trial, before the presumption existed, Festo had no burden to present evidence in the areas now at issue. This is precisely the reason this Court remanded the case. The development and analysis of such proofs can only be accomplished at the district court, a finder of fact in the first instance.

C. SMC Incorrectly Asserts Attorney Argument As Fact

SMC's reference to arguments made by Festo's Supreme Court counsel Robert Bork are taken out of context and disingenuously argued. This Court, Mr. Bork and the prosecution history clearly acknowledge that the Stoll invention was directed to creating a small gap device by providing wiping, guiding and sealing between the piston and the inside of the tube and between the driven assembly and the outside of the tube. "QUESTION: Exactly, but the heart of your invention was a way of wiping the inside of the tube-- MR. BORK: The outside. QUESTION: -- as I understand it, so that the piston could come closer to the inside of the tube..." (January 8, 2002 oral argument transcript in 00-1542 at 14-15; see also App. 100a). Furthermore, if remarks of counsel in court were dispositive, this case would be long over. During trial, SMC's counsel told the district court that "this is not really a prosecution history estoppel case." (App. 41a).

CONCLUSION

Festo respectfully submits that, for the reasons stated, *certiorari* should be granted.

Respectfully submitted,

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